

Central Intelligence Agency



Washington, D.C. 20505

22 November 1982

Argentina: Current Concerns

President Bignone's ability to govern effectively will diminish as various military and civilian sectors seek to achieve their often conflicting objectives. Since assuming office in July, Bignone has been increasingly buffeted by pressures from leaders of both sectors over the terms of a planned 1984 return to civilian rule. Early efforts to reconcile antagonistic elements are being undermined by human rights activists who are building broad support for an accounting of those who disappeared in the government's mid-1970s war against subversives. Press reports of widespread corruption among many military leaders also are exacerbating tensions. Regime leaders have responded by closing three periodicals critical of the government. They are also pressing civilians for an agreement on a wide range of contentious issues before the dates for elections, tentatively set for late 1983, are firmly set. [REDACTED]

25X1

Economic pressures will continue to complicate Bignone's efforts to manage the growing political crisis. Austerity measures--imposed in the recent agreement in principle with the IMF and made necessary by Argentina's critical need for foreign funds--will force some retrenchment from the initial populist, growth-oriented economic policies, which have prompted a temporary upturn in the domestic economy. Such a change in policy is likely to generate resistance from political and labor leaders. [REDACTED]

25X1

For domestic political reasons Bignone will maintain a tough--but not hostile--posture on key foreign policy issues. Argentina has not yet formally ended hostilities with the UK and has sought diplomatic alliances to isolate London in various international forums. Furthermore, the Argentines, although agreeing to a continuation of the Vatican's efforts to mediate the Beagle Channel dispute with the Chileans, are backing away from earlier intentions to sign a non-use of force agreement. Meanwhile, Argentina continues to negotiate for arms, particularly aircraft, in an effort to restore the military to pre-war numerical levels. [REDACTED]

25X1

Argentina has mastered several aspects of nuclear fuel cycle technology, which it refuses to place under safeguards. A reprocessing facility will produce about 20 kilograms of plutonium annually when it begins operation in 1985. To build and test nuclear devices, Argentina would need weapons design expertise and appropriate high explosive testing facilities. [REDACTED]

25X1

25X1

TOP SECRET